

NEWS THAT MATTERS MOST™

Do You Have Supplementary Injury Benefits? *Why being in the majority is a disadvantage*



We first wrote about this topic in May 2016, the month before the last round of Ontario personal injury benefit reductions was due to go into effect, coupled with a revised schedule of optional benefits for those who wished to “buy back” the reduced coverage. At the time, only 1% of policyholders had elected to add optional benefits. Since then, by one estimate, barely 5% of policyholders have done so, effectively leaving 95% of Ontarians exposed to financial loss should they suffer serious injuries as drivers, passengers or pedestrians.

Thankfully most drivers and passengers who are in motor vehicle collisions do not suffer serious injuries. Yet it is a depressing fact that every year about 20%, or more than 10,000 of them, do in Ontario alone. We should know; we treat a large number of them and know what types of care and how much of it is required to recover the quality of life that they and their

families enjoyed before their accidents.

“...your insurer must offer you the opportunity to buy back lost coverage.”

As of June 1, 2016, if you resided in Ontario, your standard personal injury benefits were reduced by the Ontario Government as a means of assisting insurers to achieve the-at the time-15% premium

reduction goal. It is old news that the goal was not achieved, which does not diminish the fact that by law, your insurer must offer you the opportunity to buy back lost coverage for an additional premium.

‘Optional’, by definition, means that you must make a conscious decision to purchase one or more of the available coverages. The ones available to you after June 1, 2016 were primarily determined by

your policy status on that date. If your policy renewed before June 1, 2016 and you already had optional benefits, they continued to be in place unchanged until your next renewal. If your policy renewed before June 1, 2016 and you did not have optional benefits, and you did not add them since your renewal, or if your policy renewed on or after June 1 without the inclusion of optional benefits, we recommend that you ask your broker or agent for a quote to add or increase the following benefits:

Income Replacement Benefit: Increase this benefit to the maximum \$1,000 per week.

Medical, Rehabilitation and Attendant Care Benefits: Increase these benefits to the maximum optional \$1 million for non-catastrophic injuries, and the maximum optional \$2 million for catastrophic injuries. In certain cases, the addition of these optional benefits also increases the maximum period during which they are paid from five years to one's lifetime.

Caregiver, and Home

Maintenance Benefits in the Event of Non-Catastrophic Injuries:

Ask your broker or agent to add these benefits. Subject to the other specific qualifying claim and payment criteria being met, your standard policy covers you for these benefits only if you are determined to be catastrophically injured.

“The optional benefits that were available to you before June 1, 2016 were different in several important respects.....”

Other Optional Benefits: Optional Death, Dependent Care and Indexation benefits are also available to you. Ask your broker or agent for coverage and premium details.

The optional benefits that were available to you before June 1 were different in several important respects from the ones that became available on or after June 1.

If you already had optional benefits, ask your broker or

agent how your insurer converted your old optional benefits to the new ones. Don't get caught in an apples-to-oranges coverage gap.

Also note that any optional benefits that you elect apply to the following four classes of insureds:

- the named insured
- the spouse of the named insured
- the dependents of the named insured and of his/her spouse
- persons specified in the policy as drivers of the insured automobile

Furthermore, if you elect one or more optional benefits, your insurer must issue a policy endorsement called the Ontario Policy Change Form 47 (OPCF 47) with your policy or policy renewal.

In multi-vehicle families, as an administrative practice, at least one

major insurer discloses the optional benefits on only one of the auto policies and only for its named insured, leaving policyholders to wonder if they actually have the desired optional coverage for the classes listed above.

In such cases, ask your insurer to confirm in writing that all motor vehicles in your household that are insured with that insurer are covered for the optional benefits and that the persons you have designated as

authorized drivers are listed on your policy. Since September 1, 2010, Ontario's standard auto injury benefits have been progressively reduced.

The options that were first made available then were not widely communicated and as a result, the percentage of auto policies that had them was negligible. Consequently, we have witnessed firsthand the truly devastating effects that coverage gaps have had for the

large number of seriously injured individuals and their families who, for a variety of reasons, were not aware of the reductions. Being informed is a prerequisite to wise decision making. We hope that this newsletter will make its contribution to ensuring that needed benefits are there for more people when they are needed most.

